

III

TRADE AND COMMERCE

4. Crane is engaged, directly and through subsidiaries, in the manufacture of fluid and pollution control products, including industrial valves, steel and steel products, plumbing fixtures and building products, and brake and other related systems for the aerospace industry. Such products are shipped and sold in interstate and foreign commerce to customers located throughout the United States and in foreign countries. In 1974, Crane had net assets of approximately \$607,947,000 and sales of approximately \$1,144,031,000. In terms of sales, it ranked 170th among the largest American industrial corporations.

5. The Anaconda Company (Anaconda) is a Montana corporation having its executive offices in New York City. It is principally engaged in mining and processing copper, aluminum and uranium, and in manufacturing copper, copper alloy, and aluminum products. Its wholly-owned subsidiary, the Walworth Company, is a leading manufacturer and distributor of industrial valves. Products manufactured by Anaconda are shipped and sold in interstate and foreign commerce to customers located throughout the United States and in foreign countries. In 1974, Anaconda had net assets of approximately \$1,931,272,000 and sales of approximately \$1,672,724,000. In terms of sales, it ranked 118th among the largest American industrial corporations.

6. Industrial valves are used in industrial piping to control the passage of liquids and gases by stopping and regulating flow or preventing backflow. The largest purchasers of industrial valves are the petroleum refining, chemical processing, utility and gas, pulp and paper, steel, food

processing and ship-building industries. These industries are located throughout the United States and abroad. In 1974, industry shipments of industrial valves totaled approximately \$1.09 billion.

7. Users and manufacturers of industrial valves recognize a number of categories of such valves among which are iron, bronze, carbon steel and stainless steel valves. Each kind of valve is usually made at a separate production facility where the valve is cast, machined and assembled.

8. Industrial valves made of iron, bronze, carbon steel or stainless steel are not interchangeable in most industrial applications because of differences in price, strength, sensitivity to temperature and resistance to corrosion. Consequently, iron, bronze, carbon steel and stainless steel valves are each distinct product submarkets of the industrial valve market.

9. Based on 1974 sales of industrial valve manufacturers, Crane ranks first with 8.8 percent of the market. Crane is also the largest producer of iron valves, with 27.7 percent of industry sales; bronze valves with 17.5 percent; and carbon steel valves, with 29.9 percent. Crane is the seventh largest producer of stainless steel valves with 2.9 percent of industry sales. Crane's total sales of industrial valves in 1974 were approximately \$106 million.

10. Based on 1974 sales of the Walworth Company, Anaconda is now the third largest manufacturer of industrial valves with 5.8 percent of the market. Anaconda is also the second largest producer of iron valves, with 7 percent of industry sales; bronze valves with 9.1 percent; and carbon steel valves with 17.9 percent. In stainless steel valves, Anaconda is the largest producer, with 41.4 percent of industry sales. Total sales in 1974 by Anaconda's subsidiary Walworth were approximately \$63 million.

11. The following chart sets forth the concentration figures for 1974 in the industrial valve markets:

	<u>Percent-Top Four Producers</u>	<u>Percent-Top Eight Producers</u>
all industrial valves	22	34
iron valves	39	54
bronze valves	36	61
carbon steel valves	64	88
stainless steel valves	64	79

IV

VIOLATION ALLEGED

12. In August 1975, Crane announced its intention to acquire 5,000,000 shares, approximately 22.6 percent, of Anaconda common stock. Since November 20, 1975, Crane has acquired approximately 4,119,000 shares of Anaconda common stock, representing approximately 19 percent of the total outstanding shares of common stock. For each share, Crane has exchanged an 8 percent subordinated sinking fund debenture with a face value of \$20.00. The total investment is now approximately \$82,380,000.

13. The effect of the aforesaid acquisition of stock may be substantially to lessen competition or to tend to create a monopoly in the manufacture and sale of industrial valves, iron valves, bronze valves, carbon steel valves, and stainless steel valves throughout the United States in the following ways:

- (a) competition between Anaconda and Crane in industrial valves and various submarkets of industrial valves will be eliminated;
- (b) concentration in industrial valves and various submarkets of industrial valves will be increased; and
- (c) competition generally in industrial valves and various submarkets of industrial valves will be lessened.

PRAYER

WHEREFORE, plaintiff prays:

1. That the acquisition by Crane of Anaconda common stock be adjudged and decreed to be unlawful in violation of Section 7 of the Clayton Act.
2. That Crane be required to divest itself of all stock in Anaconda.
3. That Crane be enjoined from acquiring any Anaconda stock in the future.
4. That Crane be prohibited from acquiring the stock or assets of any company engaged in the manufacture or sale of industrial valves for a period of ten years.
5. That the plaintiff have such other and further relief as the Court may deem just and proper.
6. That the plaintiff recover the costs of this action.

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